

India, EU may resolve ICT dispute by December



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SHREYA NANDI

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India and the European Union (EU) have actively engaged in discussions and may settle their dispute next month at the World Trade Organization (WTO) over New Delhi's import duties on certain information and technology products, a person privy to the matter has said. A WTO panel in April said that India had violated global trading norms in a dispute with the EU, Japan and Taiwan over import duties on IT products such as mobile phones, components, telephone handsets. It also asked New Delhi to eliminate tariffs on technology products.

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"We hope to reach a mutually agreed solution in less than a month (by 17 December)," the person aware of the matter told *Business Standard*.

According to the WTO rules, after the dispute settlement body comes up with its ruling, the adoption of the

panel or an appeal against the ruling has to be done within 60 days, unless there is a consensus among countries to not adopt or defer the report. However, the EU and India chose to work on an amicable settlement and decided to go ahead with joint deferment, where India postponed its appeal against the ruling and the EU deferred the adoption of the WTO dispute settlement panel's report.

In June, they urged the WTO's dispute settlement body to mutually defer an appeal, which was pushed by 180 days – in two tranches of 90 days, each. Both sides now have time till December 18 to resolve the issue.

As far as the dispute is concerned, India believes that the EU has not been majorly affected by the imposition of IT tariffs, considering that the inbound shipments of IT products, such as mobile phone, telephone handsets, among other such products, from the trade bloc is not high. Also, the higher duties were mainly imposed to safeguard the domestic industry from cheap Chinese imports. On the other hand, the EU claimed that up to euro 600 million of its technology exports to India were adversely impacted annually due to New Delhi's imposition of tariffs on such products.